

AMENDED IN SENATE FEBRUARY 11, 2010

CALIFORNIA LEGISLATURE—2009–10 EIGHTH EXTRAORDINARY SESSION

SENATE BILL

No. 28

Introduced by Senators Yee and Alquist
(Coauthor: Senator Oropesa)
(Coauthor: Assembly Member Hill)

February 5, 2010

An act to amend Section 53545.9 of the Health and Safety Code, relating to housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 28, as amended, Yee. Housing and Emergency Shelter Trust Fund Act of 2006: appropriations.

(1) The Housing and Emergency Shelter Trust Fund Act of 2006, adopted and approved by the voters at the November 7, 2006, statewide general election, authorized the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Existing law requires the allocation or availability of specified bond funds to the Construction Liability Insurance Reform Pilot Program and the Innovative Homeownership Program and provides for the reversion of certain funds under specified circumstances. Existing law establishes the Housing-Related Parks Program and the Building Equity and Growth in Neighborhoods (BEGIN) Program, funded by these bonds and administered by the Department of Housing and Community Development, relating to the promotion and support of infill development, housing-related parks, and housing assistance.

This bill would make several legislative findings and declarations relating to jobs associated with residential construction and housing bond funds. The bill would delete the required allocation or availability

of funds to the Construction Liability Insurance Reform Pilot Program and the Innovative Homeownership Program and instead require that funds be allocated and made available to the California Pollution Control Financing Authority, in consultation with the department, to administer loans or grants under the California Recycle Underutilized Sites (CALReUSE) program. The bill would modify the reversion provisions *and make available specified amounts for grants to existing housing trust funds and the Multifamily Housing Program.* The bill would appropriate specified amounts from the Regional Planning, Housing, and Infill Incentive Account and the Building Equity and Growth in Neighborhoods Account to the Department of Housing and Community Development for the Housing-Related Parks Program and the BEGIN Program, respectively. The bill would require the department ~~to award these~~ *to report on the explanation for the delay if appropriated funds are not awarded* within 180 days from the date the act takes effect.

(2) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on January 8, 2010.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on January 8, 2010, pursuant to the California Constitution.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) In 2009, residential construction in California is estimated
- 4 to have hit its lowest recorded level ever.
- 5 (b) Jobs associated with residential construction in California
- 6 have plummeted by an estimated 70 percent since 2005. This
- 7 amounts to more than 350,000 lost jobs.
- 8 (c) During the current economic crisis, it is imperative to
- 9 expedite the distribution of approved housing bond funds in order
- 10 to invigorate local economies.
- 11 (d) In addition to creating jobs, infrastructure improvements
- 12 made possible by these investments will produce numerous benefits

to communities, including shorter and safer commutes, increased public park space, and housing stability to help children learn and thrive.

SEC. 2. Section 53545.9 of the Health and Safety Code is amended to read:

53545.9. Of the one hundred million dollars (\$100,000,000) transferred to the Affordable Housing Innovation Fund established in the State Treasury under subparagraph (F) of paragraph (1) of subdivision (a) of Section 53545, the following amounts shall be allocated as follows:

~~(a) (1) The department shall make available the amount of fifty million dollars (\$50,000,000) for the Affordable Housing Revolving Development and Acquisition Program.~~

~~(2) Of the amount made available for the program, the amounts shall be as follows:~~

~~(A) Twenty-five million dollars (\$25,000,000) shall be made available for the Loan Fund. Any funds not encumbered for the purposes set forth pursuant to this subparagraph by the effective date of the statute amending this section shall revert to the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2.~~

~~(B) Twenty-five million dollars (\$25,000,000) shall be made available for the Practitioner Fund.~~

(a) The department shall make available the amount of twenty-five million dollars (\$25,000,000) for the Affordable Housing Revolving Development and Acquisition Program Practitioner Fund pursuant to Section 50707.

(b) The department shall make available the amount of fifteen million dollars (\$15,000,000) for the California Pollution Control Financing Authority, in consultation with the department, to administer loans or grants under the California Recycle Underutilized Sites (CALReUSE) program pursuant to Section 53545.14.

(c) The department shall make available the amount of ~~thirty-five million dollars (\$35,000,000)~~ *seventeen million five hundred thousand dollars (\$17,500,000)* to award grants to existing trust funds under the local housing trust fund matching grant program established under Section 50843.5. ~~The department shall make available 50 percent of this amount exclusively for newly established housing trust funds.~~

1 ~~(1) When~~

2 *When* awarding grants from the funds allocated under this
3 subdivision to existing trust funds, the department shall grant
4 preference to a housing trust fund that agrees to expend more than
5 65 percent of state funds for the purpose of downpayment
6 assistance to first-time homebuyers.

7 ~~(2) When awarding grants from the funds allocated under this~~
8 ~~subdivision to newly established housing trust funds, the~~
9 ~~department shall set aside funding, for a period of 36 months from~~
10 ~~the date funds are first made available, for newly established~~
11 ~~housing trust funds that are in a county with a population of less~~
12 ~~than 425,000 persons, based on the decennial United States Census~~
13 ~~for the year 2000.~~

14 ~~(3) Any funds not encumbered for the purposes set forth in this~~
15 ~~subdivision by the effective date of the statute amending this~~
16 ~~section shall revert to the Multifamily Housing Program authorized~~
17 ~~by Chapter 6.7 (commencing with Section 50675) of Part 2.~~

18 ~~(d) The department shall make available the amount of forty-two~~
19 ~~million five hundred thousand dollars (\$42,500,000) for the~~
20 ~~Multifamily Housing Program authorized by Chapter 6.7~~
21 ~~(commencing with Section 50675) of Part 2.~~

22 SEC. 3. The sum of twenty-five million dollars (\$25,000,000)
23 is hereby appropriated from the Regional Planning, Housing, and
24 Infill Incentive Account in the Housing and Emergency Shelter
25 Trust Fund of 2006 to the Department of Housing and Community
26 Development for the Housing-Related Parks Program pursuant to
27 Chapter 8 (commencing with Section 50700) of Part 2 of Division
28 31 of the Health and Safety Code.

29 SEC. 4. The sum of five million dollars (\$5,000,000) is hereby
30 appropriated from the Building Equity and Growth in
31 Neighborhoods Account in the Housing and Emergency Shelter
32 Trust Fund of 2006 to the Department of Housing and Community
33 Development for the Building Equity and Growth in
34 Neighborhoods (BEGIN) Program pursuant to Chapter 14.5
35 (commencing with Section 50860) of Part 1 of Division 31 of the
36 Health and Safety Code.

37 ~~SEC. 5. Funds appropriated in Sections 3 and 4 of this act shall~~
38 ~~be awarded by the Department of Housing and Community~~
39 ~~Development no later than 180 days from the date the statute~~

1 ~~enacting this act takes effect. If funds are not awarded within the~~
2 ~~180 days~~

3 *SEC. 5. If funds appropriated in Sections 2, 3, and 4 of this act*
4 *are not awarded within 180 days from the date the statute enacting*
5 *this act takes effect*, the department shall submit a report to the
6 Legislature with an explanation for the delay.

7 SEC. 6. This act addresses the fiscal emergency declared by
8 the Governor by proclamation on January 8, 2010 pursuant to
9 subdivision (f) of Section 10, of Article IV of the California
10 Constitution.

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